

REMARKS

In the Office Action, the Examiner rejected claims 1-7 under 35 U.S.C. §101. Claims 1-7 were further rejected under 35 U.S.C. §112, second paragraph. Finally, claims 1 and 4-7 were rejected under 35 U.S.C. §103(a) as being unpatentable over Credit Risk Management Report in view of BusinessWeek. Claim 2 was rejected under Section 103(a) over Credit Risk Management Report in view of BusinessWeek and further in view of Elliott (2001/0042034 A1). Finally, claim 3 was rejected under Section 103(a) over Credit Risk Management Report in view of BusinessWeek and further in view of Wong et al. (USPN 6,119,933). Applicant respectfully disagrees with the above rejections and requests the reconsideration.

Regarding 35 U.S.C. §112, second paragraph

The language of claims 1-7 has been amended and clarified. As part of this amendment, claim 4 has been separated into claims 4 and 8. Therefore, Applicant requests that the rejection of the claims pursuant to Section 112, second paragraph, be withdrawn as moot.

Regarding 35 U.S.C. §103(a).

Credit Risk Management Report, in view of BusinessWeek, does not teach or suggest the invention as previously or presently claimed. Specifically, there is no objective evidence in either reference that would have led an individual to combine the relevant teachings of the references to arrive at the claimed invention. Therefore, Applicant requests that the rejection of the claims pursuant to Section 103 be withdrawn.

In rejecting claims under 35 U.S.C. §103, an Examiner bears the initial burden of presenting a *prima facie* case of obviousness. See *In re Rijckaert*, 9 F.3d 1531, 1532, 28 USPQ2d 1955, 1956 (Fed. Cir. 1993). A *prima facie* case of obviousness is established by

presenting evidence that the reference teachings would appear to be sufficient for one of ordinary skill in the relevant art having the references before him or her to make the proposed combination or other modification. See *In re Lintner*, 458 F.2d 1013, 1016, 173 USPQ 560, 562 (CCPA 1972). Furthermore, the conclusion that the claimed subject matter is *prima facie* obvious must be supported by evidence as shown by some objective teaching in the prior art or by knowledge generally available to one of ordinary skill in the art that would have led that individual to combine the relevant teachings of the references to arrive at the claimed invention. See *In re Fine*, 837 F.2d 1071, 1074, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). Rejections based on §103 must rest on a factual basis with these facts being interpreted without hindsight reconstruction of the invention from the prior art. An Examiner may not, because of doubt that the invention is patentable, resort to speculation, unfounded assumption or hindsight reconstruction to supply deficiencies in the factual basis for the rejection. See *In re Warner*, 379 F.2d 1011, 1017, 154 USPQ 173, 177 (CCPA 1967), *cert. denied*, 389 U.S. 1057 (1968). The Federal Circuit has repeatedly cautioned against employing hindsight by using the Applicant's disclosure as a blueprint to reconstruct the claimed invention from the isolated teachings of the prior art. See, e.g., *Grain Processing Corp. v. American Maize-Prod. Co.*, 840 F.2d 902, 907, 5 USPQ2d 1788, 1792 (Fed. Cir. 1988).

When determining obviousness, “the [E]xaminer can satisfy the burden of showing obviousness of the combination ‘only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references.’” *In re Lee*, 277 F.3d 1338, 1343, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002), citing *In re Fritch*, 972 F.2d 1260, 1265, 23 USPQ2d 1780, 1783

(Fed. Cir. 1992). “Broad conclusory statements regarding the teaching of multiple references, standing alone, are not ‘evidence.’” *In re Dembiczak*, 175 F.3d 994, 999, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999). “Mere denials and conclusory statements, however, are not sufficient to establish a genuine issue of material fact.” *Dembiczak*, 175 F.3d at 999-1000, 50 USPQ2d at 1617, citing *McElmurry v. Arkansas Power & Light Co.*, 995 F.2d 1576, 1578, 27 USPQ2d 1129, 1131 (Fed. Cir. 1993).

In the present application, Credit Risk Management Report (CRMR) discusses guidelines adopted by the National Foundation for Consumer Credit (NFCC) that would require its members to disclose affiliations with lenders. CRMR also makes reference to the “members” NFCC. However, CRMR does not mention whether those members are exempt or non-exempt entities.

Further, Applicant very respectfully submits that the teaching of BusinessWeek is directly opposite that of the claimed invention. By way of example, Applicant notes that the Examiner underlined and otherwise referenced the following passage BusinessWeek:

The agencies, which mostly operate as nonprofits, often pay their executives lavish salaries and make cushy deals for goods or services with related companies. They also steer consumers to affiliated for-profit companies that make debt consolidation or home-equity loans.

Id. at 2.

This passage, on its face, discusses non-profit credit counseling agencies referring consumers to a for-profit company. However, such methodology may be easily distinguished from the claimed invention wherein the consumer’s initial contact may be with a for-profit non-exempt entity, rather than with an exempt nonprofit. Indeed, under the present statutory scheme,

it is entirely possible that (in context of credit repair) the teaching of BusinessWeek would be illegal. Accordingly, it may be understood that BusinessWeek teaches away from the claimed invention.

Regarding 35 U.S.C. §101

In the Office Action, the Examiner rejected claims 1-7 by arguing that the claimed invention is not directed to a technological arts. However, in USPTO's recently issued Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility (October 2005), it was concluded that "USPTO personnel should no longer rely on the technological arts test to determine whether a claimed invention is directed to statutory subject matter. There are no other recognized exceptions to eligible subject matter other than laws of nature, natural phenomena, and abstract ideas." See Exhibit A – Excerpt of Guidelines at 45. Therefore, since the instant rejection is based the now disapproved "technological arts" test, Applicant respectfully request the withdrawal of the instant rejection. Id.

More specifically, according to the Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility (October 2005), "United States patent law does not support the application of a 'technical aspect' or 'technological arts' requirement. Title 35 of the United States Code does not recite, explicitly or implicitly, that inventions must be within the 'technological arts' to be patentable." Id. at 41. Therefore, "while an invention must be 'new' and 'useful,' there is no statutory requirement that it fit within a category of 'technological arts.'" Id.

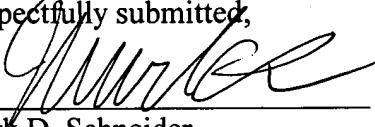
Accordingly, Applicant respectfully requests that the Examiner withdraw the rejection pursuant to 35 U.S.C. §101.

Conclusion

In view of the above amendments and remarks, Applicant submits that the application is now in proper form for allowance. Such action is respectfully requested.

Dated:

Respectfully submitted,

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ANNEX III

Improper Tests For Subject Matter Eligibility

As set forth in the patent eligible subject matter interim guidelines, a practical application of a 35 U.S.C. § 101 judicial exception is claimed if the claimed invention physically transforms an article or physical object to a different state or thing, or if the claimed invention otherwise produces a useful, concrete, and tangible result.

Therefore the following tests are not to be applied by examiners in determining whether the claimed invention is patent eligible subject matter:

- (A) "not in the technological arts" test
- (B) Freeman-Walter-Abele test
- (C) mental step or human step tests
- (D) the machine implemented test
- (E) the per se data transformation test.

a. Technological Arts Test

United States patent law does not support the application of a "technical aspect" or "technological arts" requirement. Title 35 of the United States Code does not recite, explicitly or implicitly, that inventions must be within the "technological arts" to be patentable. Section 101 of Title 35 recites that "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor..." Accordingly, while an invention must be "new" and "useful," there is no statutory requirement that it fit within a category of "technological arts." Moreover,

although there has been some judicial discussion of the expression "technological arts" and its relationship to patentability, this dialogue has been rather limited and its viability is questioned. In 1970, the Court in In re Musgrave [431 F.2d 882, 167 USPQ 280 (CCPA 1970)] introduced a new standard for evaluating process claims under Section 101: any sequence of operational steps is a patentable process so long as it is within the technological arts so as to promote the progress of useful arts. Since the announcement of a new "technological arts" standard in Musgrave, only fourteen cases make reference to this so-called "technological arts" standard. In fact, only a handful of cases immediately following the Musgrave decision employed the "technological arts" standard in determining whether an invention is a process within the framework of Section 101. Instead, the Supreme Court refused to adopt that test when it reversed the Court of Customs and Patent Appeals in Gottschalk v. Benson, 409 U.S. 63, 175 USPQ 673 (1972). See also Diehr, 450 U.S. at 201, 209 USPQ at 14 (J. Stevens dissenting) (discussing the Court did not recognize the lower court's technological arts standard). Moreover, the CCPA effectively rejected the technological arts test in In re Toma, 575 F.2d 872, 878, 197 USPQ 852, 857 (CCPA 1978), by strongly suggesting that Musgrave was never intended to create a technological arts test for patent eligibility:

The language which the examiner has quoted [from Musgrave and its progeny relating to "technological arts"] was written in answer to "mental steps rejections and was not intended to create a generalized definition of statutory subject matter. Moreover, it was not intended to

form a basis for a new § 101 rejection as the examiner apparently suggests.

Toma, 575 F.2d at 878, 197 USPQ at 857.

In addition, the "technological arts" consideration is completely absent from recent Federal Circuit case law like State Street and AT&T. Given the current trend in the law, the Musgrave test should not be considered as current legal jurisprudence, and should not be used to evaluate process inventions for compliance with Section 101.

More important, the Musgrave decision should not be interpreted as imposing a new requirement that certain inventions be in the "technological arts" to be patentable. Instead, Musgrave should be limited to its facts and holding, i.e., that the computer-related invention in dispute was a patentable invention within the meaning of Section 101 because it was an advancement in technology which clearly promoted the useful arts. Thus, the Musgrave decision should not be construed as announcing a new stand-alone "technological arts" test for patentability, but should stand for the proposition that computer-implemented process claims may be patentable subject matter.

Furthermore, any attempts to define what is "in the technological arts" raises more questions than it appears to answer. The mere application of an article or a computer does not automatically qualify as eligible subject matter. See, e.g., Benson, 409 U.S. 63, 175 USPQ 673. Thus, this potential analysis improperly focuses on how the invention is implemented rather than on what is the practical application and the result that is achieved.

The emergence of a new patentability requirement that is not firmly rooted in our law also creates significant international concerns. First, the United States is a leader in intellectual property protection and strongly supports patent protection for all subject matter regardless of whether there is a "technical aspect" or the invention is in the "technological arts." The application of a 'technological art' requirement could be used to preclude the patenting of certain inventions not only in the United States, but also in other jurisdictions.

In Ex parte Lundgren, Appeal No. 2003-2088, Application 08/093,516, (Precedential BPAI opinion September 2005), the Board rejected the examiner's argument that Musgrave and Toma created a technological arts test. "We do not believe the court could have been any clearer in rejecting the theory the present examiner now advances in this case." Lundgren, at 8. The Board held that "there is currently no judicially recognized separate "technological arts" test to determine patent eligible subject matter under § 101." Lundgren at 9.

USPTO personnel should no longer rely on the technological arts test to determine whether a claimed invention is directed to statutory subject matter. There is no other recognized exceptions to eligible subject matter other than laws of nature, natural phenomena, and abstract ideas.

b.Freeman-Walter-Abele Test

USPTO personnel should not rely on the Freeman-Walter-Abele test to determine whether a claimed invention is directed to statutory subject matter. The Federal Circuit questioned the continuing viability of the Freeman-Walter-Abele test, noting that "[a]fter Diehr and Chakrabarty, the Freeman-Walter-Abele test has little,